

U.S.-Colombia Trade Promotion Agreement *Agriculture Overview*

December 2010

The U.S.–Colombia Trade Promotion Agreement (CTPA) was signed on November 22, 2006. This comprehensive trade agreement will eliminate tariffs and other barriers to goods and services, promote economic growth, and expand trade between the two countries.

- Colombia is already an important market for America's farmers and ranchers. In 2009, the United States exported a record \$907 million of agricultural products to Colombia. Top U.S. exports were corn, wheat, soybean and soybean products, corn gluten feed, and cotton.
- Since virtually all food and agricultural products from Colombia already enter the United States duty-free, agricultural trade between the United States and Colombia would change from a one-way street to a two-way street with the CTPA.
- Many agricultural commodities will benefit from the CTPA as more than half of current U.S. farm exports to Colombia will become duty-free immediately and the remaining tariffs will be eliminated within 15 years.
 - Colombia will immediately eliminate duties on wheat, barley, soybeans, soybean meal and flour, high-quality beef, bacon, almost all fruit and vegetable products, wheat, peanuts, whey, cotton, and the vast majority of processed products.
 - The CTPA also provides duty-free tariff rate quotas (TRQ) on standard beef, chicken leg quarters, dairy products, corn, sorghum, animal feeds, rice, and soybean oil.
 - **Yellow Corn**. In 2009, the United States exported \$189 million of yellow corn to Colombia. Under the CTPA, Colombia will provide immediate duty-free access through a 2.1-million ton TRQ with 5-percent annual growth. Colombia will phase-out the out-of-quota tariff of 25 percent over 12 years.
 - **Wheat and Barley**. In 2009, the United States exported \$141 million of wheat and barley to Colombia. Under the CTPA, Colombia's tariffs on all wheat and wheat products, as well as all barley and barley products will be immediately eliminated.
 - **Soybeans and Soybean Products**. In 2009, the United States exported \$141 million of soybeans and soybean products (cake and meal, oil) to Colombia. Under the CTPA, Colombia will immediately eliminate tariffs on soybeans and soy meal and flour.
 - **Cotton**. In 2009, the United States exported \$66 million of cotton to Colombia. Under the CTPA, Colombia will immediately eliminate cotton tariffs.
- In 2010, Colombia finalized free trade agreements with Canada and the European Union, while several others are already in place. The United States is already paying a heavy price as a result of Colombia's prevailing third-country arrangements, as the U.S. share of Colombia's total agricultural imports fell from nearly 44 percent in 2007 to 27 percent in 2009. Should the United States not implement the CTPA, further erosion of U.S. market share in Colombia is expected as that country's existing and pending trade agreements with competitor countries take hold, leaving U.S. exporters in an increasingly disadvantaged position.